

EXHIBIT 7

Gary Plichta

From: Gary Plichta
Sent: Tuesday, July 15, 2008 11:29 AM
To: Ben Kerschberg; Ron Plichta; Brian Dusek
Subject: RE: Washington Hill -- Land Disposition Agreements -- questions

These are going to be negotiated away, per my meeting with Stanley and Dave. We should raise as a title exception. They have passed me the first draft of the waiver. I will send to you

From: Ben Kerschberg
Sent: Tuesday, July 15, 2008 10:05 AM
To: Stanley Fine; Hecker, Caroline; Gary Plichta; Ron Plichta; Ben Kerschberg
Subject: Washington Hill -- Land Disposition Agreements -- questions

Stanley & Caroline,

Ron and I have some concerns about the Land Disposition Agreements of 1972 and 2007, as well as the relevant City Council Bill No. 04-1420 (2004). Your help with these would be appreciated.

LDA of 1972

- Section 1(a) provides that compliance with non-discrimination laws runs in perpetuity. Fine.
- There are some other sections that caught my eye. These run until June 27, 2009.
 - 1(c) – Maximum Density = 30 dwelling units per residential acre. Naturally, this is a very big deal.
 - 1(e) – No setback require the City except that 20-foot setback required from Orleans Street.
 - 1(g) – Departmental review of Developer's final working drainage and specifications.
 - 1(p) – Departmental rights to review Developer's detailed plans and specifications with respect to their conformance with NDP Plans.
 - 1(q) – No construction without approval of Final Preliminary Drawings and Specifications.
 - 1(r) – Departmental right to refuse approval.
 - 1(s) – After Certificate of Completion, no change or alternation on Property until preliminary sketch drawings are done of the site plans and structure.
- Are all of the above no longer apposite in light of the First Amendment to the LDA (2007) (below)?

City Council Bill No. 104-1420

Please note Ron's question about the Planning Commission Staff Report's recommendation #5 that "Fairmount Avenue [be] re-activated as a through street and [not be] built as a 'view corridor' or a 'mews' as had been proposed...."

What's the status of this? Is this a requirement for us? This is also a big deal.

First Amendment to the LDA (2007)

- Was this ever executed by all relevant parties? I only have a 2006 draft copy with your cover letter of January 18, 2007. I assume it was.
- Am I correct that the non-discrimination restrictive covenants that were introduced in 1972 live on and continue to run with the land? (Articles 2.01, 2.02)
- Am I correct that because the First Amendment "delete[s] the Original Agreement in its entirety" (Recital No. 8) and never reintroduces those restrictions that previously ran until July 2009, that all of the covenants set forth above are now no longer valid and therefore not of concern to us?
- Please note Ron's question regarding the definition of "the median income applicable to the Baltimore Region, adjusted for household size, as published by the U.S. Dep't of Housing and Urban Development, less a reasonable allowance for utilities". This is the basis for determining maximum monthly lease payments.
- Article 3.10 provides that "[a]t the request of the Developer, the Department shall provide to the Developer the ... Affordable Rent then applicable to the sale or lease of an Affordable Unit." What is your experience dealing with

the Department on such requests? Are they reliable? What sort of lead time do they need? Any other thoughts on this matter?

Your help is greatly appreciated.
Thanks,
Ben